

## ROUTING AND TRANSMITTAL SLIP

Date

29 APR 86

TO: (Name, office symbol, room number,  
building, Agency/Post)

Initials

Date

1. EXO/DDA

29 APR 1986

2. ADDA

3. DDA

4. DA/MS

5. DDA/PLANS

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

## REMARKS

6. DDA REGISTRY

CC: EACH OFFICE DIRECTOR

DO NOT use this form as a RECORD of approvals, concurrences, disposals,  
clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)

Room No.—Bldg.

Phone No.

5041-102

U.S.G.P.O. 1963-421-529/320

OPTIONAL FORM 41 (Rev. 7-76)  
Prescribed by GSA  
FPMR (41 CFR) 101-11.206EXECUTIVE SECRETARIAT  
ROUTING SLIP

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS		X		
5	DDI		X		
6	DDA		X		
7	DDO		X		
8	DDS&T		X		
9	Chm/NIC				
10	GC				
11	IG				
12	Compt		X		
13	D/OLL		X		
14	D/PAO				
15	D/PERS				
16	VC/NIC				
17	ES		X		
18	C/S	X			
19					
20					
21					
22					

SUSPENSE

Date

Remarks

To 18: May want to consider for next  
SecDef breakfast.

Executive Secretary

28 April 1986

Date

When the CIA was created, all its employees were covered under the Civil Service Retirement System (CSRS). By the time the CIA Retirement and Disability System (CIARDS) was established, it had become apparent that retirement decisions pertaining to CIARDS-covered employees would involve sensitive information. Thus, CIARDS was legislated disallowing the DCI's determinations to be appealed. However, no one focused on the fact that many of these sensitive issues also attached to employees covered under the CSRS. Furthermore, concern increased with the breakup of the Civil Service Commission into the Office of Personnel Management, as the executive branch entity, and the Merit Systems Protection Board as a quasi-judicial entity. The establishment of cleared channels within the executive branch allows a degree of protection for our sensitive information. However, it is more difficult to protect such information within the framework of quasi-judicial entities and the courts.

The problem of this outflow of sensitive information has come into focus as a result of requests that the Agency review the ways in which such an overwhelming amount of information on Agency personnel and matters are being released. One of the suggested approaches has been the establishment of an Agency-administered retirement system for all its employees. The Senate has recognized the seriousness of this problem by including all new CIA employees under the proposed special retirement system containing the feature of non-appealability of the DCI's retirement determinations. As an oversight, this feature was not extended to the presently CSRS-covered Agency employees.

In conclusion, the issue is not how many cases there might be before the MSPB which could lead to releases of classified or sensitive information. The issue is that none of this information should be subjected to exposure. The need to improve the protection of the security of our functions extends to protecting any of our sensitive information from any releases to persons not aware of security concerns nor who have developed a security conscious mentality.

The Agency understands that the House-Senate conference addressing the CIA's special retirement system may consider a proposal for non-CIARDS type CIA employees to continue having the right to appeal adverse retirement determinations to the Merit Systems Protection Board (MSPB). The underlying principle for this proposal stems from the fact that CIA employees presently covered by the Civil Service Retirement System have the right to appeal, to the MSPB, determinations made by the Office of Personnel Management.

It has been acknowledged by the intelligence committees that in order to improve the security of CIA functions, the CIA should administer all retirement systems as they apply to CIA employees. We are in agreement. However, we disagree with the logic that reasons that since non-CIARDS employees have an appeal right at present that they should automatically continue to enjoy said right. Unfortunately, any appeal case before the MSPB and the federal courts potentially lends itself to having security information released. Furthermore, there is an ever-increasing population of employees nearing retirement age who could appeal retirement decisions.

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